

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of:)	
)	FINDINGS OF FACT
Paula K. Deitering, formerly known)	CONCLUSIONS OF LAW
as Paula K. Harper,)	AND
13625 California Street, 4th Floor,)	CONSENT ORDER
Omaha, Nebraska; and)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2012; LB 205, 2013; LB 214, 2013) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 2012), the DEPARTMENT has investigated the acts of Paula K. Deitering, formerly known as Paula Harper, 13625 California Street, 4th Floor, Omaha, Nebraska. As a result of such investigation, and being fully advised and informed in the matter, the Director and Paula K. Deitering, formerly known as Paula K. Harper, enter into the following Findings of Fact, Conclusions of Law and Consent Order (“Order”).

FINDINGS OF FACT

1. Paula K. Deitering, formerly known as Paula K. Harper (“DEITERING”) is registered in Nebraska as a broker-dealer agent and an investment adviser representative of Morgan Stanley Smith Barney LLC, pursuant to Section 8-1103. Between January 26, 2000 and October 21, 2006, DEITERING was registered as an agent of Edward D. Jones & Co., L.P. (“Edward Jones”).
2. DEITERING married Jonathan Harper (“J. Harper”) (collectively, “the Harpers”) on September 18, 1990. A Petition for Dissolution of Marriage was filed on

August 2, 2006, in the Iowa District Court for Pottawattamie County. A Decree of Dissolution of Marriage was filed on March 23, 2007.

3. On May 15, 2000, Account 625-04250 was opened at Edward Jones as a custodial account for the Harpers' minor child with J. Harper as the custodian.

DEITERING was identified as the "investment representative" on Account 625-04250.

4. DEITERING processed four address changes on Account 625-04250. Upon opening, the account statements were mailed to the Harpers' residential address. In October 2000, the mailing address on Account 625-04250 was changed to DEITERING'S branch address. In May 2001, the address was changed back to the Harpers' residential address. In July 2002, the address was changed to a post office box in Bellevue, Nebraska. In March 2004, the address was changed again to Deitering's branch address.

5. On July 30, 2003, DEITERING signed J. Harper's name to a *Letter of Authorization to Change Registration or Transfer Assets* form to transfer a portion of the assets of Account 625-04250 to an account titled in the name of DEITERING as custodian for the Harpers' minor child. The transfer was not completed.

6. From May 3, 2006 to September 25, 2006, the following checks, drawn on Account 625-04250 and payable to J. Harper as custodian of the account, were mailed to DEITERING'S branch address:

Check Number	Date	Amount
113619244	May 3, 2006	\$ 1,000.00
113711975	May 17, 2006	\$ 2,500.00
114578408	September 20, 2006	\$ 206.67
114578409	September 20, 2006	\$ 619.98
114611295	September 25, 2006	\$ 14.92
	TOTAL	\$ 4,341.57

7. DEITERING represented to the DEPARTMENT that the money was deposited into the minor child's 529(b) Hartford account or SAC Federal Credit Union account or was used to pay expenses of the minor child, including a trip to Hawaii and camp in Colorado.

8. DEITERING admitted to signing the documents and endorsing the checks, but claimed the actions were taken in her capacity as J. Harper's spouse rather than as the investment representative of the account.

9. J. Harper claimed to have no prior knowledge of the facts presented in Findings of Fact Nos. 4, 5 and 6.

CONCLUSIONS OF LAW

1. The DEPARTMENT has jurisdiction over this matter pursuant to the Act.

2. Neb. Rev. Stat. § 8-1103(9)(a)(ii), (vii), and (xii) provides, in part, that the Director may by order deny, suspend, or revoke the registration of any registrant, or bar, censure, or impose a fine pursuant to Neb. Rev. Stat. § 8-1108.01(4) (Reissue 2012) on a registrant if the Director finds that (a) the order is in the public interest and (b) the registrant, among other things, has (i) engaged in dishonest or unethical practices in the securities business.

3. The facts set forth in Findings of Fact Nos. 4 through 9, above, constitute dishonest and unethical business practices by DEITERING in violation of Section 8-1102(1).

4. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

5. It is in the best interest of DEITERING, and it is in the public's best interest, for DEITERING and the Director to resolve the issues included herein.

CONSENT ORDER

NOW THEREFORE, the parties to this Order agree as follows:

Stipulations: In connection with this Order, DEITERING and the Director stipulate to the following:

- a. The DEPARTMENT has jurisdiction as to all matters herein.
- b. An Order should be entered in this matter, which shall be in lieu of other proceedings by the DEPARTMENT, except as specifically referenced in this Order.

DEITERING further represents as follows:

1. DEITERING is aware of her right to a hearing on this Order at which she may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing and any related appeal on all matters covered by this Order, is irrevocably waived.
2. DEITERING is acting free from any duress or coercion of any kind or nature.
3. This Order is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for the purposes of this Order and for no other purposes.

FURTHER, DEITERING agrees to take whatever action is necessary to ensure compliance with all provisions of the Act in the future. If, at any time, the DEPARTMENT determines that DEITERING has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

IT IS THEREFORE ORDERED as follows:

1. Paula K. Deitering shall pay a fine in the amount of five thousand dollars (\$5,000.00). Such payment shall be made by a check or money order payable to the Nebraska Department of Banking and Finance within ninety (90) days from the effective date of this Order.

2. Paula K. Deitering shall take and pass the Series 66 examination within sixty (60) days from the effective date of this Order.

3. Paula K. Deitering's agent and investment adviser registration in Nebraska shall be suspended for three (3) business days beginning on the day following the effective date of this Order.

4. A copy of this Order, when fully executed, shall be sent to the compliance officer and the appropriate branch manager for Morgan Stanley Smith Barney, LLC.

For any person or entity not a party to this Order, this Order does not limit or create any private rights or remedies against DEITERING, limit or create liability of DEITERING, or limit or create defenses of DEITERING to any claims.

Nothing herein shall preclude the State of Nebraska, its departments, agencies, boards, commissions, authorities, political subdivisions and corporations, other than the DEPARTMENT (collectively, "State Entities") and the officers, agents or employees of State Entities from asserting any claims, causes of action, or applications for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive relief against DEITERING in connection with the subject matter of this Order.

In the event that DEITERING fail to comply with the provisions of this Order, the DEPARTMENT may commence such action as it deems necessary and appropriate in the public interest.

The effective date of this Order will be the date of the Director's signature.

DATED this 26 day of Sept, 2013.

PAULA K. DEITERING



Paula K. Deitering
13625 California Street, 4th Floor
Omaha, Nebraska 68514

DATED this 30th day of Sept., 2013.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**



By: _____


John Munn, Director

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